Castle & Cooke, Inc.

ANNUAL REPORT FOR THE YEAR ENDED APRIL 30, 1968

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Revenues Consolidated revenues for Castle & Cooke, Inc., were $185,501,652, a new record. In the prior year they were $166,494,373.

Earnings Consolidated net earnings for the year ended April 30, 1964, were $7,800,619, or $3.37 per share, compared with $2,813,392, or $1.22 per share, the year before.

Dole Sales were the highest on record and exceeded $100,000,000 for the first time, due primarily to higher price levels on pineapple and juice products and generally firmer marketing conditions on its mainland products.

Bumble Bee Seafoods Sales set a new record for the eighth consecutive year. Earnings declined slightly due to losses suffered in Alaskan salmon operations.

Sugar Operations The combination of record-breaking sugar prices and large crops enabled two affiliated plantations to report earnings among their best in recent years, and results at the third plantation were better than expected.

Oceanic Properties Major land development projects in Hawaii and California began moving forward at an accelerated pace, although operations are not yet profitable.

Dividends For the year ended April 30, 1964, the Company paid a regular cash dividend totaling $1.20, plus a year-end extra of 30 cents. For the first quarter of the new fiscal year, the regular quarterly rate was increased to 35 cents per share, or $1.40 annually.

The Year in Brief

Inspecting opening tape signaling admission of Castle & Cooke stock to New York Stock Exchange are Keith Funston, Exchange president; W. M. Bush, C&C executive vice president; John Carrere, specialist; T. F. Sandoz, Bumble Bee chairman.

Consolidated results of Castle & Cooke, Inc., and its subsidiaries for the fiscal year ended April 30, 1964, made a gratifying recovery from the depressed level of earnings prevailing in the two prior post-merger years.

Consolidated net income was $7,800,619, or $3.37 per share of capital stock. This compares with $2,813,392, or $1.22 per share in 1962-63, and $4,592,392, or $1.96 per share, in 1961-62.

In the year just ended, consolidated revenues were $185,501,652, an increase of 11.4 per cent over the $166,494,373 reported the year before.

Reflecting this substantial improvement in the Company's results, the Directors declared an extra year-end cash dividend of 30 cents per share in addition to the regular cash payment of $1.20 per share for the year. For the first quarter of the 1964-65 year they increased the quarterly payment from 30 cents to 35 cents per share, thus restoring the dividend rate prevailing at the time Dole Corporation and Bumble Bee Seafoods, Inc., were merged into Castle & Cooke.

Dole's results improved dramatically over those of the past several years, thanks largely to better pricing on many of its products. Sales exceeded $100-million for the first time.

Earlier in the fiscal year, sugar prices advanced to unprecedented heights. This combined with record Island sugar production to give the Hawaiian sugar industry its best year in history, in which the three plantation companies controlled by Castle & Cooke also shared. Waialua Agricultural Company achieved its highest production in history, and Ewa Plantation Company its third highest. Still recovering from a severe drought, Kohala Sugar Company had a harvest better than anticipated. Higher income from our holdings in these companies contributed importantly to Castle & Cooke's improved earnings.

Although Bumble Bee Seafoods experienced unfavorable marketing conditions early in the year and a near-failure of the Alaskan Red salmon run, it was still able to establish a new sales record for the eighth consecutive year. Its earnings declined slightly because of the Alaskan situation, but its operations outside of Alaska were more favorable than in the prior year.

Oceanic Properties, Inc., our land development subsidiary, operated at a loss, but gained momentum as it set in motion several major projects in Hawaii and California.

The foregoing developments, and others throughout the Company will be covered at greater length in the following report on operations.

The stockholders are receiving with the Annual Report a copy of a new, up-to-date profile booklet on the Company entitled "From Land and Sea," which describes in words and pictures all of Castle & Cooke's operations. We hope it will prove interesting and informative.

On June 5, 1964, Castle & Cooke's shares were listed for trading on the New York Stock Exchange. It is intended that our stockholders will thus have the advantage of a ready national market and that this step will contribute to a further broadening and enlargement of the Company's stock ownership.

Effective with the new 1964-65 year, four wholly-owned subsidiaries, Dole Corporation, Bumble Bee Seafoods, Inc., Royal Hawaiian Macadamia Nut Company, Inc., and Hawaiian Equipment Company, Ltd., became separate and distinct divisions of Castle & Cooke, a step designed to simplify administration and reduce costs. Each continues its past operational and marketing identity. Dole changes its name to Dole Company and the other three drop the separate corporate designations from their names.

Our confidence in the future is attested by the increase in the dividend rate and in our belief that many factors contributing to unsatisfactory earnings in the past two years are under better control.

A. G. Budge
Chairman of the Board

Malcolm MacNaughton
President

Honolulu, Hawaii
July 2, 1964

Letter to Stockholders

DOLE COMPANY

The 1963-64 year was a gratifying one for Dole. The marketing climate for its products was generally favorable, and all major items registered sales increases over the prior year. Prices were higher for its pineapple and pineapple juice products and the market for its mainland products was generally firmer.

For several years past, Dole had experienced very unfavorable conditions in the marketplace, due largely to over-production and distress selling of products with which it competed. Aggressive programs to counteract these conditions, to reduce costs and to increase efficiency were instituted. These began to come into fruition in 1963-64 in production, distribution and marketing, and their results also contributed significantly to improved earnings.

As the new fiscal year begins, marketing conditions for pineapple and juice products are generally satisfactory, but the overall canned fruit marketing picture is clouded by the chronic problem of another Cling peach crop exceeding any before in history. Cling peaches are the bellwether of mainland canned fruits, and as such, their packing and marketing will be watched with interest and concern for their competitive effect on other fruits.

In other major areas Dole has made significant progress during the year — expansion of new production, introduction of new products, improvement of existing facilities and elimination of unprofitable operations.

The Company reported to stockholders last year its decision to develop a major pineapple growing and processing facility in southern Mindanao in the Philippines to provide it with a new source of low-cost but high-quality fruit and to enable it to compete and open new markets elsewhere in the world. This project has an estimated cost of $24-million over six years.

Development of this new project is on target, both regarding schedule and costs. More than 16,000 acres have been acquired under long-term lease from the Philippine Government. The first acreage was planted in December, 1963, and the first crop is scheduled to be processed in the early summer of 1965.

In the interim, work is under way on construction of a cannery, port and warehouse facilities, housing for employees, power plant and domestic water system, hospital, school, roads, bridges and other facilities.

Not only is Dole pioneering in the development of this new industry in this part of Mindanao, but it was the first private company anywhere to prepare the men and their families who will be transferred to the Mindanao area by sending them to a Peace

Planting first Dole pineapples in Philippines are (left to right) Armand Fabella, government official, Malcolm MacNaughton and M. L. Levine of Dole. Above, Dole staff and wives train in Filipino life at Peace Corps center on the Island of Hawaii.

Corps training center to learn the customs, languages and living conditions in the region of their new assignment.

The Mindanao project is being carried out by Dole Philippines, Inc., in which Dole has a majority investment and Filipino investors a minority position.

The introduction of our fresh Hawaiian pineapple in major mainland markets under the "Royal Hawaiian" brand has progressed well. In cooperation with the leading national produce firm of Heggblade-Marguleas, new techniques and equipment have been developed which provide mainland consumers with high-quality, ready-to-eat pineapple never before available to them. A key factor in this program has been Matson Navigation Company's refrigerated container service.

By means of packing plants in plantation fields and the use of the refrigerated facilities from field to destination, we are shipping pineapples from Honolulu to New York, for example, in 12 days, so they arrive in supermarkets still in the peak of condition. Consumer response in the past year outstripped production and we will market greater tonnage in the new year as fresh fruit.

Two new Dole-label products have been introduced in selected U. S. markets and response thus far has been good. They are Tropi-Kai, a canned tropical fruit cocktail containing pineapple, banana and papaya in guava and passion fruit juices, and Dole Low-Calorie Fruit Cocktail, packed at our San Jose plant.

The Honolulu cannery improvement program continued, with resulting improved extraction and lower costs. A new Honolulu warehouse with a capacity exceeding one million cases was completed and will reduce distribution costs. The nearby can-manufacturing plant has been further expanded to supply can requirements of other users as well as our own. It now produces almost 485-million cans per year, 78 per cent of total Hawaiian production.

Dole closed its Oakland cannery because of continuing unprofitability of the peaches and tomato products packed there. Much of its equipment will be transferred to the Philippines. The remaining equipment and the cannery buildings were sold. Dole will continue to own and operate the warehouses there as its principal Pacific Coast distribution center.

William F. Quinn, attorney and former governor of Hawaii, was elected Executive Vice President and a Director of Dole. His demonstrated administrative abilities and leadership qualities will be a great asset to the Company.

Housewives as far away as New York and Boston are finding in their stores displays of fresh Royal Hawaiian pineapple, grown by Dole and shipped to reach consumers in peak of condition.

BUMBLE BEE SEAFOODS

Bumble Bee Seafoods' sales established a new record for the eighth consecutive year. Earnings declined slightly due to losses suffered in the Alaska salmon operations because of a disappointing catch. Its operations outside of Alaska were more favorable than in the prior year.

Two major factors contributed to the losses in Alaska salmon production. Pre-season preparations for a normal pack of Red salmon in Bristol Bay were made on the basis of careful projections of the size of the expected run. For some undetermined reason Bristol Bay experienced the poorest run of Red salmon in its history, resulting in substantial losses.

Meanwhile, for the second consecutive year, the total industry pack of Pink salmon was substantially above the past several years' average production. This contributed to a weakened market condition with lower selling prices. Under these circumstances, Bumble Bee Pink Salmon sales established a new record. It is anticipated that the coming year's pack of Pink salmon will be canned at a lower cost more in line with current market levels.

One of Bumble Bee's affiliated companies recently has acquired the Alitak salmon cannery on the southern shore of Kodiak Island. At this new acquisition we expect to pack Alaska King crab in addition to its customary salmon packs.

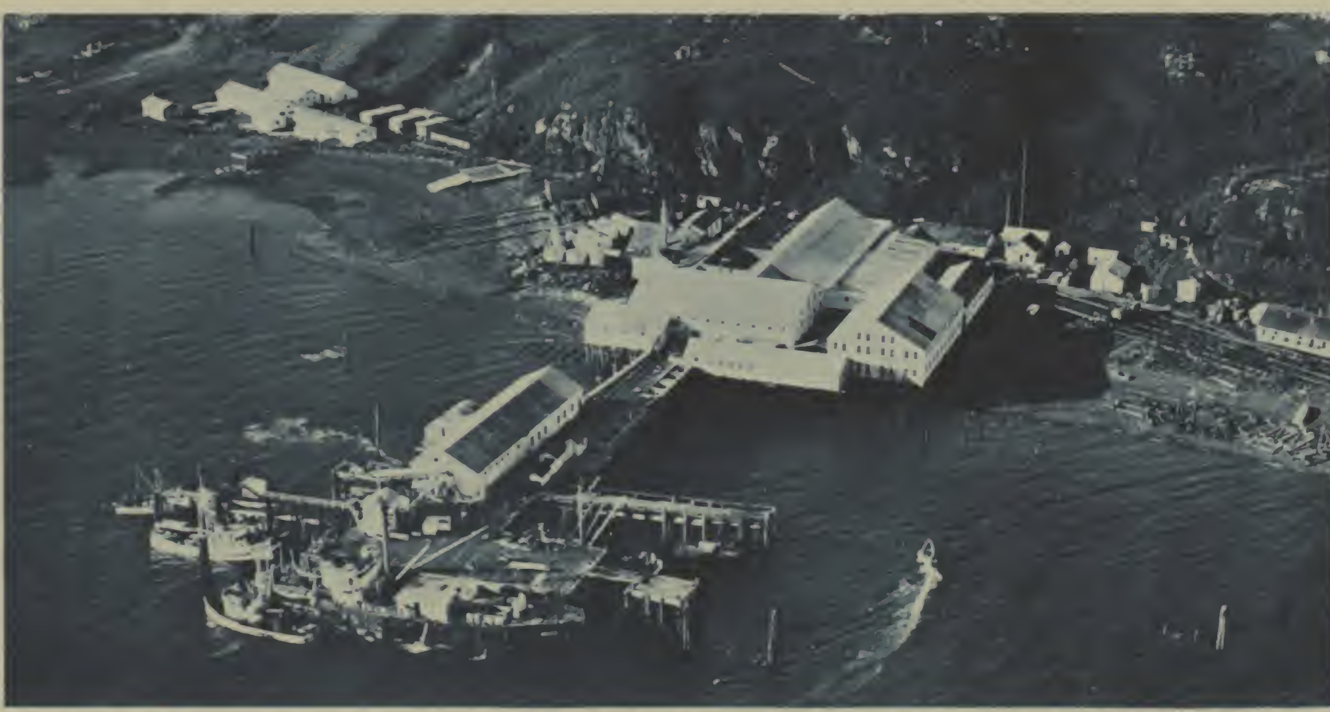
Production of Sockeye and Pink salmon at the Bellingham, Wash., plant on Puget Sound was one of the best operations there in several years.

Bumble Bee tuna operations for the year were successful. An excellent run of Albacore tuna occurred off Oregon, Washington and northern California, and purchases from this source established a new record. Catches of light meat tuna in Hawaiian waters were moderately less than for the prior year. Domestic catches of Bluefin and Skipjack tuna off the middle Atlantic and New England coasts were better than a year earlier, and our new Eastern subsidiary, Maryland Tuna Corp., enjoyed a profitable year.

Tuna marketing in 1963 continued to be intensely competitive. Nevertheless, in spite of tuna marketing problems, our position was strengthened in the nation's markets.

Bumble Bee's current inventories are in balance with sales projections for the ensuing months. Sales for the first month of the fiscal year substantially exceeded those of the same month in each of the two prior years.

Labor contracts for our major operations at Astoria, Honolulu and Cambridge, Md., have been successfully negotiated for the



Aerial view of the busy Alitak salmon cannery on Kodiak Island, acquired last year by affiliated company of Bumble Bee Seafoods. Like other Bumble Bee properties in Alaska, it fortunately escaped damage in disastrous Good Friday quake.

next two years. The Company has enjoyed excellent labor relations and is appreciative of its fine relationships with its many fishermen.

Bumble Bee was fortunate in not experiencing any damage to its plants and floating properties as a result of the tragic earthquake and tidal wave in Alaska on March 27. It is regretable that some units of the fishing industry on Kodiak Island, in Cook Inlet and Prince William Sound sustained extensive damage, although this is not expected to have an appreciable effect on salmon production during the 1964 season.

At the peak of the salmon run in Alaska's Bristol Bay, gill net boats discharge their catches into one of Bumble Bee's power scows, each hauling more than 100 tons of fish to the Naknek cannery.

Fishing by set net is practiced along this four-mile gravelly beach at Ekuk on Bristol Bay, Alaska. As this photo was taken whole families of fishermen were pulling in all-time record catch of Red salmon — more than 100,000 fish on a single tide.

OCEANIC PROPERTIES, INC.

Although Oceanic was not profitable in the past year, its projects are now moving forward at an increasing pace and its management expects 1964-65 to be a profitable year that will offset some of the deficits the Company has incurred since its formation in 1961.

In Hawaii, construction of the Queen Emma Gardens urban redevelopment project was virtually completed at April 30. Leasing of the 600-apartment complex was begun and response was more favorable than expected. Castle & Cooke has a 40 per cent interest in this $12-million project and Oceanic is its manager.

After several years of delay, the current State Land Use Commission approved the initial increment of the planned new town on former pineapple land outside Honolulu, overlooking Pearl Harbor. It is expected that ground will be broken on this long-delayed project during the new fiscal year.

The Castle & Cooke building in downtown Honolulu, now nearly 40 years old, is no longer providing efficient accommodation for the headquarters of the Company, and in fact the whole block on which it stands is obsolete. Oceanic has developed plans for the demolition of this block and is coordinating the interests of the six landowners involved in an effort to replace existing structures with a $13-million modern office complex built around a plaza.

On the mainland, Oceanic projects are making good progress. A shopping center site in the city of Orange, Calif., has been leased for 99 years. All major tenants have been signed and favorable financing is available. It is expected the first increment of this center will begin soon at a cost of more than $1-million.

Also in Southern California, the 15-story medical building adjoining the Good Samaritan Hospital in downtown Los Angeles is under construction. Completion of this $8-million project is expected in early 1965. Leasing is progressing very well and all targets are being met.

Purchase of the Sea Ranch, the 5,200-acre property on the Pacific Coast 112 miles northwest of San Francisco, has been completed. Development of this magnificent coastal ranch for recreational and retirement home purposes has been completely planned during the past year. Construction of off-site improvements, model homes, condominium apartments and essential operating facilities will begin in July, 1964. The marketing of the first increment will commence in early 1965.

As the fiscal year closed, negotiations were under way for the sale of the Blackhawk Ranch, purchased by Castle & Cooke in

One of the geographical features of the Sea Ranch is dramatic Black Point at the southerly end of the property. Here the initial development of the ranch will begin in 1964–65 with homes, a store-restaurant and condominium units.

1956. Located on the slopes of Mt. Diablo near Walnut Creek, this property has enjoyed substantial appreciation but will not be ready for intensive development for some years. Should sales negotiations be successful, the financial gain will be reported in 1964-65 and subsequent years.

Mililani Memorial Park, Inc., an Oceanic subsidiary, experienced a sales slump during eight months of the year, and though a reorganized sales effort has corrected the situation, results for the full fiscal year were about on break-even basis.

Meanwhile, after a year of negotiation and land acquisition, Mililani, with Hawaiian and Philippines investors, organized a memorial park on some 200 acres of land in Manila. This growing, prosperous city of 3,000,000 has endured an incredible shortage of burial sites. It is believed that with the acceptance of the modern concept of pre-need purchase of such property, this will be an extremely successful venture.

The first Oceanic Properties project to be completed in California will be this handsome 15-story medical office building adjoining the Good Samaritan Hospital on Wilshire Boulevard in Los Angeles.

Windrows of cypress form the backdrop for this first cluster of "second homes" to be built this year by Oceanic at the Sea Ranch. Designed by noted architect Joseph Escherick, they blend with their surroundings and have spectacular coast views.

SUGAR OPERATIONS

Sugar prices have been riding a roller coaster for the past year and more. In May of 1963 they reached unprecedented heights and continued to gyrate at higher levels through the balance of that calendar year. From the beginning of calendar 1964, prices dropped sharply until, at the end of our fiscal year on April 30, they had reached the lowest point since October, 1961, before increasing modestly again.

As the stockholders have been advised, the precipitate rise in world sugar prices was due to the reduced production from Cuba and two successive beet crop failures in Europe. While there was no domestic shortage of sugar, the U. S. price moved in tandem with the world price. In the Western half of the United States, however, where most of Hawaii's crop is marketed, our cane sugar continued to experience severe competition throughout the whole period from beet sugar grown in the same area.

The combination of record-breaking sugar prices and large crops enabled two of our three plantation companies, Waialua and Ewa, to report among the best earnings they have enjoyed in recent years for the fiscal year ended April 30. Kohala's earnings were better than anticipated.

The exceptionally large crops harvested by our two Oahu plantations, Waialua and Ewa, were partially due to a carryover of cane from the previous fiscal year, which could not be harvested because of exceptionally wet weather in the spring of 1963.

Waialua harvested the largest crop in its history, and yields and quality were good. At the beginning of the new year, Waialua's directors approved a capital expenditure of $2,600,000 to buy and install a new and larger boiler and power plant, a much-needed improvement.

Ewa's crop was the third largest in its history and yield was the best since 1957. During the year additional sub-surface water sources were discovered on the plantation which will yield up to 40-million gallons per day.

Production at Kohala increased over the reduced tonnage of the past several years caused by severe drought. The new overhead irrigation system there, installed over the past two years, will certainly reduce Kohala's vulnerability to a recurrence of drought in the future.

The 1964-65 production season thus far has been excellent at all three of the plantations. It is much too early to predict earnings from sugar in the new year, but it is reasonable to expect that they will be lower than in 1963-64 but improved over levels prevailing over the preceding decade or so.

This frenetic amphitheater is the trading floor of the New York Coffee & Sugar Exchange which has seen such wide gyrations in the prices of world sugar in past year.

MACADAMIA NUTS

Nut production and sales of the Royal Hawaiian Macadamia Nut Company increased substantially during the year, but financial results were below expectations and this division continued to operate at a loss.

With all 80,000 trees in bearing at the Keaau orchard, the 1963 nut crop increased 19 per cent over that of the prior year. As Royal Hawaiian attained wider distribution, sales of packaged nuts increased 53 per cent and during the latter part of the fiscal year and the beginning of the new one, packaged nuts were in short supply in most markets.

Three major airlines, United, American and Northwest Orient, have added individual servings of Royal Hawaiian macadamia nuts to many of their in-flight menus. We have received a number of favorable comments from passengers who have thus tried the nuts for the first time.

"Bits O' Macadamias," the nuts in chopped form for use as a recipe ingredient, were successfully introduced in Hawaii and will be expanded gradually to mainland markets.

To increase production and reduce costs, a major expansion of the nut processing plant was approved at a cost of $350,000.

SHIPPING AND STEVEDORING

The past two years have seen a major transformation in Castle & Cooke's shipping and stevedoring operations. We have acted as agents and stevedores for many lines in the port of Honolulu, but these services for Matson constituted the major part of this business.

As the stockholders were informed last year, Matson terminated its freight agency relationship with Castle & Cooke in the prior year, taking over these functions itself. In November, 1963, Matson announced discontinuance of its stevedoring contract with Castle & Cooke Terminals, Ltd., to become effective in May, 1964.

This latter step required drastic reorganization of the Terminals operations, including the transfer of 361 employees to other waterfront stevedoring organizations. The effect of this move was only partially offset by the award to the Terminals of the stevedoring contract for Army and Navy cargo in Honolulu.

Fortunately, a realignment of steamship services between Hawaii and the Atlantic and Gulf coasts enabled Castle & Cooke to recover a portion of the agency and stevedoring business lost by the Matson terminations.

Matson and Isthmian Lines discontinued their joint service through the Panama Canal and Matson withdrew from further service over this route.

Isthmian and its parent, States

Three of the nation's leading airlines serve Royal Hawaiian Macadamia Nuts on their in-flight menus, usually at cocktail time. Passengers like this new delicacy and become customers.

Marine Lines, appointed Castle & Cooke as their freight agents and stevedore for Honolulu, thus enabling the Company to return in a major way to these traditional activities.

TRAVEL AGENCY DIVISION

The Company's new Travel Agency Division in Honolulu, organized in the prior year, has now received all of its agency appointments from domestic and international airline conferences, and is making satisfactory progress.

HAWAIIAN EQUIPMENT COMPANY

Hawaiian Equipment Company, our distribution company in Hawaii for trucks, tractors and other types of heavy equipment, showed an increase in sales but a decline in earnings in its highly competitive market.

INVESTMENTS

Matson Navigation Company

Matson Navigation Company, in which Castle & Cooke has a 24 per cent stock interest, enjoyed a generally satisfactory year with increased earnings. In the fiscal year ended December 31, 1963, it paid dividends of $3.50 per share, compared with 70 cents per share in the prior year.

Castle & Cooke stockholders have been kept advised during the year by means of periodic letters of the various developments in our relationships with Matson.

The Castle & Cooke management some time previously had concluded that the best interests of our Company would be served by disposing of our Matson stock, provided this could be done at a fair price and to responsible parties. Efforts continue to this end.

It seemed ironic, therefore, that Castle & Cooke and three other Island corporate stockholders of Matson should be charged by the U. S. Department of Justice with violating anti-trust laws by discouraging competitive shipping service to Hawaii, and that the suit should seek to force the four companies to divest themselves of their Matson holdings.

It is the opinion of management and legal counsel that the Federal government's suit is completely without merit.

Overseas Investments

Castle & Cooke acquired a substantial minority interest in the Republic Glass Corporation of Manila, the only window and sheet glass manufacturing company in the Philippines. While the company is relatively new, its volume and profits are growing and it promises to be a sound investment.

Construction of the manufacturing plant of the Thai-American Steel Works Co., Ltd., at Bangkok, will be completed in September, 1964. Production will then begin on galvanized steel pipe up to the two-inch size. Production of larger sizes will begin in early 1965. Castle & Cooke acquired a 55 per cent ownership of this company in the fiscal year just completed.

Aerial view shows the modern plant of the Republic Glass Corp. in Manila, in which Castle & Cooke acquired a substantial minority investment. It is the only flat-glass manufacturer in Philippines.

Financial Review

CONSOLIDATED SUBSIDIARIES OF CASTLE & COOKE, INC.	Shares Outstanding	Number of Shares Held	% of Total Outstanding
Blackhawk Ranch Co.	15,000	15,000	100.00
Bumble Bee Seafoods, Inc.	20,000	20,000	100.00
Castle & Cooke Investments, Limited	75,000	75,000	100.00
Castle & Cooke Terminals, Limited	45,000	45,000	100.00
Dole Corporation	150,000	150,000	100.00
Dole of Canada Limited	100	100	100.00
Ewa Plantation Company	174,785	109,192	62.47
Hawaiian Equipment Company, Limited	150,000	150,000	100.00
Honouliuli Company, Limited	18,000	18,000	100.00
Kohala Ditch Company, Limited	5,000	5,000	100.00
Kohala Sugar Company	250,000	249,676	99.87
Maryland Tuna Corp.	15,000	9,000	60.00
Mililani Memorial Park, Inc.	25,000	25,000	100.00
Oceanic Properties, Inc.	100	100	100.00
Plantation Housing, Limited	5	5	100.00
Royal Hawaiian Macadamia Nut Company, Inc.	100	100	100.00
Valley Memorial Gardens, Inc.	1,000	1,000	100.00
Waialua Agricultural Company, Limited	461,632	300,000	64.99

INVESTMENTS OF CASTLE & COOKE, INC. AND SUBSIDIARIES	Shares Outstanding	Number of Shares Held	% of Total Outstanding
Bay & River Navigation Company	17,000	2,925	17.21
Bishop Trust Company, Limited	156,082	4,917	3.15
California and Hawaiian Sugar Refining Corporation, Limited	151,785	23,535	15.51
CWC Fisheries, Inc.	100	50	50.00
Dole Philippines, Inc.	5,000	5,000	100.00
Euramerica Foods, S.P.A.	305,000	213,500	70.00
Excursion Inlet Packing Co.	6,000	2,000	33.33
Great American Insurance Company	3,089,584	75,110	2.43
Hawaiian Development Company, Ltd.	36,090	5,598	15.51
Hawaiian Hauling Service, Ltd.	12,000	4,000	33.33
Hawaiian-Philippine Company (Pfd.)	259,987	59,187	22.77
House of Investments, Inc.	668,486	129,700	19.40
Kawaihae Terminals, Inc.	20,000	11,000	55.00
Lake Union Terminals, Inc.	50,000	25,000	50.00
Matson Navigation Company	880,622	212,320	24.11
Mililani Mortuary, Inc.	450	150	33.33
Oahu Transport Company, Limited	90,000	76,500	85.00
Queen Emma Gardens Redevelopment Corp.	500,000	200,000	40.00
Republic Glass Corporation	62,341,946	13,044,541	20.92
Thai-American Steel Works Company, Limited	200,000	110,000	55.00

Statement of Consolidated Financial Condition

	April 30 1964	April 30 1963
CURRENT ASSETS:		
Cash	$ 4,648,220	$ 4,975,620
Marketable securities — at cost less amortization	1,028,380	681,698
Accounts receivable, net of reserves — 1964, $325,949; 1963, $333,426	20,347,268	22,223,523
Inventories	42,225,461	40,943,953
Prepaid expenses	2,289,479	2,376,893
Total	70,538,808	71,201,687
DEDUCT CURRENT LIABILITIES:		
Notes payable, including current instalments on long-term debt	4,926,463	9,857,580
Accounts payable	15,229,917	13,149,446
Income taxes payable	5,551,086	2,030,307
Total	25,707,466	25,037,333
WORKING CAPITAL	44,831,342	46,164,354
GROWING CROPS — At static values	5,300,000	5,300,000
INVESTMENTS:		
California and Hawaiian Sugar Refining Corporation, Limited	2,392,053	2,392,053
Investments in and advances to foreign subsidiaries	5,853,543	343,736
Other investments	6,366,059	5,654,067
LAND — At cost	20,371,335	17,499,726
BUILDING, MACHINERY, AND EQUIPMENT — At cost (less accumulated depreciation — 1964, $68,883,361; 1963, $66,342,865)	40,782,123	39,977,288
NON-CURRENT RECEIVABLES AND OTHER ASSETS — Net of reserves — 1964, $963,290; 1963, $968,601	4,977,089	5,572,426
Total	130,873,544	122,903,650
DEDUCT:		
Long-term debt	10,215,177	9,351,991
Deferred income and other credits	1,024,590	538,303
Deferred income taxes	4,561,870	2,203,775
Minority interests	8,136,609	8,633,603
	23,938,246	20,727,672
NET ASSETS, REPRESENTING STOCKHOLDERS' EQUITY	$106,935,298	$102,175,978
STOCKHOLDERS' EQUITY:		
Capital stock, $10 par value:		
Authorized, 5,000,000 shares		
Issued, 1964, 2,360,394 shares; 1963, 2,348,807 shares	$ 23,603,940	$ 23,488,070
Capital in excess of par value	1,586,719	1,462,705
Capital from acquisition of subsidiaries' stock	16,456,269	16,272,836
Retained earnings	66,571,474	62,235,454
	108,218,402	103,459,065
Less treasury stock at cost — 1964, 46,300 shares; 1963, 46,299 shares	1,283,104	1,283,087
STOCKHOLDERS' EQUITY	$106,935,298	$102,175,978

See notes to financial statements

Statement of Consolidated Income and Retained Earnings

	Year Ended April 30 1964	Year Ended April 30 1963
REVENUES:		
Food products, except sugar	$134,218,309	$122,983,399
Sugar	29,579,153	22,824,604
Merchandising	7,428,270	7,288,023
Service operations, including rentals	10,980,931	11,005,910
Gain on disposal of capital assets	1,116,382	614,883
Dividends, interest, and other revenues	2,178,607	1,777,554
Total	185,501,652	166,494,373
COSTS AND EXPENSES:		
Cost of products sold	126,318,093	122,195,174
Selling, service, general, and administrative expenses	40,051,899	37,430,900
Total	166,369,992	159,626,074
INCOME BEFORE INCOME TAXES	19,131,660	6,868,299
INCOME TAXES	10,228,451	3,405,593
	8,903,209	3,462,706
MINORITY INTERESTS	1,102,590	649,314
NET INCOME	7,800,619	2,813,392
RETAINED EARNINGS, BEGINNING OF YEAR	62,235,454	62,198,413
	70,036,073	65,011,805
CASH DIVIDENDS	3,464,599	2,776,351
RETAINED EARNINGS, END OF YEAR	$ 66,571,474	$ 62,235,454

See notes to financial statements

Notes to Financial Statements

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include all subsidiary companies whose accounting years end on April 30, except for certain foreign subsidiaries which are not significant. Consolidated subsidiaries and other investments are listed on page 13.

INVENTORIES

Inventories at April 30, 1964 consisted of the following:

Finished products and raw materials:	
At the lower cost (principally average) or market	$19,326,120
At static unit values (substantially less than cost)	6,926,946
Operating supplies, generally at the lower of average cost or market	15,972,395
Total	$42,225,461

DEFERRED INCOME TAXES

At April 30, 1964 deferred income taxes resulted from:

Reporting of certain sales financed by long-term notes on the instalment basis for tax purposes	$ 905,746
Adoption of depreciation "Guideline" procedures, as set forth by the Treasury Department, for tax purposes	3,419,637
Deferral of 52% of the investment credit allowable under the Revenue Act of 1962, less annual amortization	236,487
Total	$4,561,870

DEPRECIATION

Depreciation charged to operations amounted to $4,969,381 for the year ended April 30, 1964 and $5,010,431 for the previous year.

GROWING CROPS

Sugar and pineapple crops are stated at static values which are less than the current cost of the crops.

COMMITMENTS AND CONTINGENT LIABILITIES

Estimated unfunded past service and minimum benefit costs of insured employee retirement plans at April 30, 1964 were $2,315,366. These liabilities are being funded over periods of 10 to 25 years from the effective dates of the plans. The cost of the formal retirement plans for the year ended April 30, 1964 was $1,272,894, of which $1,146,138 was related to current service and $126,756 was applied to the unfunded commitments. Additional directly financed pension costs for the year amounted to $181,932. The amount which would be required to fund these pensions at April 30, 1964 is estimated to be $1,133,711.

At April 30, 1964 the companies were contingently liable in the amounts of $932,342 for guarantees of construction loans on bulk sugar facilities and $6,050,005 for notes discounted and mortgage loans endorsed.

LONG-TERM DEBT

At April 30, 1964 consolidated long-term debt, less current maturities, consisted of the following:

Unsecured notes:	
3%, maturing August 31, 1965	$ 2,500,000
4%, annual instalments of $275,000 until maturity, 1969	1,375,000
5¼%, annual instalments of $400,000 until maturity, 1972	2,800,000
6½%, $100,000 due in 1965 and $250,000 due in 1966	350,000
Notes, contracts, and other long-term payables (leasehold improvements, trucks and other equipment pledged as collateral)	3,190,177
Total	$10,215,177

STOCK OPTIONS

On November 25, 1963, directors of the Company adopted a stock option plan pursuant to which options to purchase 50,000 authorized but theretofore unissued shares of the Company's capital stock were granted on December 20, 1963 at $32.25 per share, subject to approval by the stockholders. The options will become exercisable cumulatively over five years from the date the options were granted. This plan is in addition to existing stock option plans with options becoming exercisable over ten-year periods from the dates of the grants. Changes during the fiscal year in the status of options granted under the existing plans were:

Shares under option at May 1, 1963	93,267
Exercised	11,587
Cancelled	13,054
Shares under option at April 30, 1964	68,626

At April 30, 1964 no additional shares were available for options under the existing plans.

RETAINED EARNINGS RESTRICTION

At April 30, 1964, under restrictive provisions of a long-term loan agreement, the unrestricted balance of consolidated retained earnings available for dividends was $10,000,000.

Auditors' Report

To the Stockholders of Castle & Cooke, Inc.:

We have examined the statement of consolidated financial condition of Castle & Cooke, Inc. and its subsidiaries as of April 30, 1964 and the related statement of consolidated income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the consolidated financial position of the companies at April 30, 1964 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells
Certified Public Accountants

Honolulu, Hawaii
June 30, 1964

CASTLE & COOKE, INC.

130 Merchant Street, Honolulu, Hawaii 96802

DIRECTORS

A. G. BUDGE, Chairman
E. C. ARBUCKLE
A. S. ATHERTON
E. E. BLACK
W. M. BUSH
A. L. CASTLE
H. K. L. CASTLE
MALCOLM MacNAUGHTON
J. H. MIDKIFF
GEORGE G. MONTGOMERY
J. S. B. PRATT III
THOMAS F. SANDOZ
A. D. SCHWANER
FREDERICK SIMPICH, JR.
A. F. STUBENBERG
R. H. WHEELER
J. H. WORRALL

OFFICERS

A. G. BUDGE, Chairman of the Board
MALCOLM MacNAUGHTON, President
W. M. BUSH, Executive Vice President
H. K. L. CASTLE, Vice President
HENRY B. CLARK, JR., Vice President, Treasurer
HOWARD HUBBARD, Vice President, Controller
JOHN F. MURPHY, Vice President, Secretary
JOHN H. SCOTT, Vice President, Shipping Operations
JOHN R. GALE, Assistant Controller
ROBERT S. GORDON, Assistant Treasurer
W. M. HALE, JR., Assistant Treasurer
R. M. MACFARLANE, Assistant Secretary
S. P. McCURDY, Assistant Treasurer
J. K. PALK, Assistant Treasurer
H. M. RICHARDS, Assistant Secretary

AUDITOR

Haskins & Sells, Honolulu

STOCK TRANSFER AGENTS

Hawaiian Trust Company, Limited, Honolulu
Wells Fargo Bank, San Francisco
Morgan Guaranty Trust Company, New York

REGISTRARS

Bishop Trust Company, Limited, Honolulu
Bank of America, N.T.&S.A., San Francisco
Bankers Trust Company, New York